

Meeting the Challenge

CAN DO 2008 Annual Report to the Community

A look at CAN DO's accomplishments and activities in 2008, and where the organization is headed in 2009.



After a successful year, challenging times lay ahead...

Every time we turn on a television, pick up a newspaper, or log on to our favorite online news site, we inevitably hear or read about the economic uncertainty our nation is facing.

From the auto and financial industries, right down to state and city governments, today's financial crunch is threatening our way of life.

Despite tougher economic times, Greater Hazleton continues to see economic growth and has had a highly successful stretch over the past five years.

This success is evidenced by the number of companies that have located in Humboldt Industrial Park during that period – and in the fact that in 2008 CAN DO was chosen by the Pennsylvania Economic Development Association as its 2007 “Large Agency of the Year,” for its accomplishments during that time period.

The state association announced that it had chosen CAN DO for

the award not only for its many economic development projects, but also for its work in reclaiming hundreds of acres of mine-scarred land and for its commitment to the development of new startup companies through its business incubator program. Our development of our first commercial park, Humboldt Station, also played a role in our earning the agency of the year award.

We're excited to have been chosen for this prestigious award and are pleased with the progress Greater Hazleton has made over the five-year period. However, we are cautiously optimistic about the near future in light of the financial crisis our country faces. We are working harder than ever to ensure Greater Hazleton remains competitive for new projects, which are becoming fewer and fewer.

Greater Hazleton's dedicated workforce and strategic location have long enabled us to compete with other regions of the state. Programs such as Pennsylvania's Keystone Opportunity Zones have

been and remain a vital marketing tool for CAN DO. This tax incentive program has aided economic development agencies in attracting new companies to Pennsylvania.

CAN DO, in cooperation with municipal and county governments and the Hazleton Area School District, is working to make sure Greater Hazleton remains a viable option for new industry through the extension of the KOZ program. The extension will allow us to compete against surrounding states that offer financial incentives of their own.

We commend our elected officials for their foresight in approving the extension of the KOZ program and we want our communities to know that CAN DO will work hard to help our area continue to prosper during these difficult times.

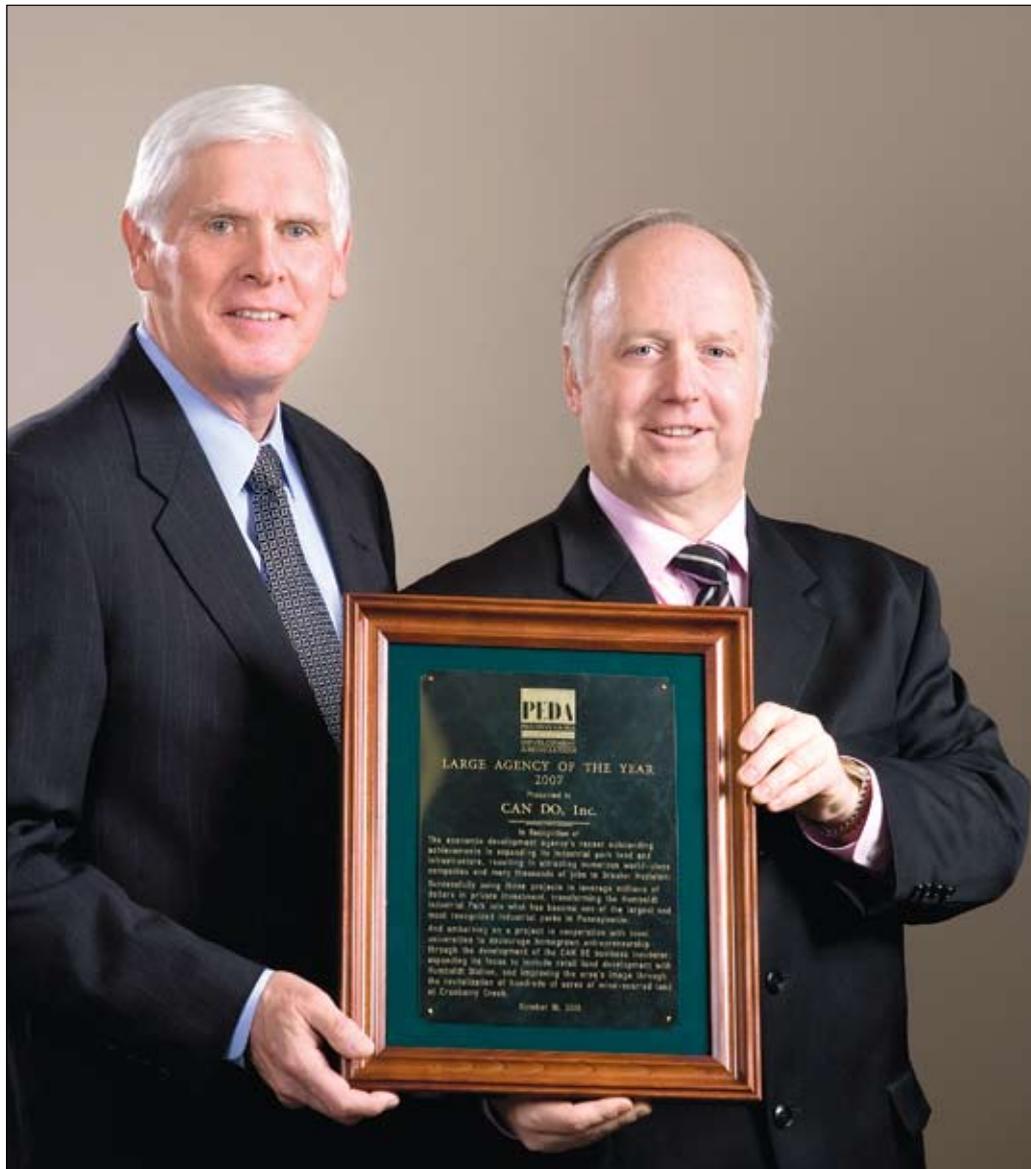
We invite you to look through the remainder of our Annual Report to the Community and explore some of the successes Greater Hazleton has achieved in 2008.

W. Kevin O'Donnell

W. Kevin O'Donnell
President

E. Thomas Sandrock

E. Thomas Sandrock
Board Chairman



CAN DO offers Energy Solutions program

Always looking for ways to assist local industry and businesses, CAN DO in 2008 launched a new initiative called CAN DO Energy Solutions that helps companies throughout the region implement cost-reducing energy options.

Teaming up with a host of companies that offer energy-saving or green options for industry, CAN DO began promoting its innovative program. The new program's goal is to assist companies that will face electrical rate increases at the end of 2010 when rate caps are lifted.



"CAN DO is committed to helping businesses in Greater Hazleton create and retain jobs. In today's economy, helping a company save money can contribute toward the retention of jobs. Savings achieved through this initiative can be a great benefit to local companies and the Hazleton area as a whole," said Bernadette DeBias, CAN DO's Director of Economic Development.

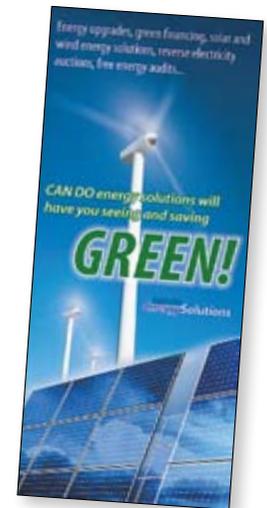
CAN DO's partners are providers of free energy audits, energy

procurement and turnkey energy efficiency solutions such as wind and solar power. CAN DO also assists companies with securing "green" financing to make their facilities more energy efficient.

CAN DO produced a brochure explaining the services and listing many of the companies that it has teamed up with for the initiative, and is also producing a new web site that will in part highlight the Energy Solutions program.

CAN DO's knowledge of key funding programs from the Department of Environmental Protection and Department of Community and Economic Development, as well as federal tax incentive programs, enables CAN DO to assist industries in considering renewable energy options.

Companies interested in learning more about CAN DO's "green" energy solutions should contact DeBias at 570-455-1508.



Pledging \$50,000 to a community project

As part of its ongoing commitment to Greater Hazleton, the CAN DO Community Foundation has pledged \$50,000 to the effort to restore the auditorium of the "Castle on the Hill," the former Hazleton High School.

The presentation was made on Dec. 30 to Joe Maddon, manager of Major League Baseball's Tampa Bay Rays and an honorary chairman of the renovation project.



Dec. 30 was Joe Maddon Day in Hazleton, and the day was capped off by "Joe Maddon Night," a fundraiser for the massive community project. Members of the foundation attended the event, both to

present the check and to honor Maddon.

"From The New York Times to the St. Petersburg Times, from ESPN to Sports Illustrated, Joe never forgot about the community where he grew up, always adding color, telling the world and reminding all of us of what a great community we live in," said Gary F. Lamont, foundation president.

The pledge was made to The Castle Fund, which is dedicated to and striving for the preservation of the arts so present and future generations may enjoy educational opportunities and community cultural events while celebrating the unique heritage of the Castle auditorium. The goal of those behind

the fund is to create the Castle Auditorium Community Arts Center, a restored and updated version of the school's original auditorium that will become a community showpiece and home to local and nationally known performances.

The mission of the CAN DO Community Foundation is to select projects that will benefit from "Conservation, Preservation and Reclamation" (CPR), including distressed landscapes and historic and locally significant buildings.

The foundation strives to nurture community organizations and programs that will effectively serve the economic, educational and general welfare of the community and promote the creation of opportunities that will better meet the needs of the underserved in our community.

The foundation's slogan – "CPR – Breathing New Life into Our Community" – represents that mission.

The foundation is the philanthropic arm of CAN DO.

For more information about the CAN DO Community Foundation, contact Nancy Stasko at 570-455-1508.



Foundation board members pose with Hazleton native and 2008 Major League Baseball American League Manager of the Year Joe Maddon and his wife, Jaye. Board members are, from left, front: Arthur D. Sweeney, Earl Berger, Matthew Bayzick and Henry Giuliani. Back: Eugene M. Dougherty, E. Thomas Sandrock, Donald M. Pachence, Kevin O'Donnell and Nancy Stasko.



Foundation President Gary F. Lamont, center left, presents a check from the foundation for \$50,000 to Joe Maddon and his wife, Jaye. Looking on from left are: Lonnie Polli, CAN DO board; E. Thomas Sandrock, foundation board and chairman of the CAN DO board; W. Kevin O'Donnell, foundation board and president of CAN DO; Robert Judd and John Spevak, CAN DO board; and Nancy Stasko, foundation board and CAN DO.



2008 YEAR IN REVIEW

Despite tougher economic times that are upon us as we begin 2009, this past year was a big year for economic development in Greater Hazleton.

Several world-class companies opened facilities in CAN DO's industrial parks during 2008, projecting to create more than 1,700 new jobs over the next few years. Many new projects, some of which had been years in the planning and construction phases, came to fruition and opened their doors in the ever-growing Humboldt Industrial Park.

These projects included Archer Daniels Midland's new North American cocoa processing plant; AutoZone's distribution center, Amazon.com's Northeast distribution center; Gonnella Frozen Foods, a par-baked bread maker; and U.S. Cold Storage, a food storage facility.

Some of the notable events and openings in 2008 included the following:

ADM Archer Daniels Midland (ADM), one of the world's largest agricultural processors, opened its North American cocoa-processing plant in the quickly growing Humboldt North section of the park in October.



The local facility will handle the company's operations, such as bean grinding, cake milling and chocolate production, for the East Coast. It will make products including cocoa powder, cocoa butter and chocolates

for customers including chocolate manufacturers and bakery, beverage, confectionery and dairy processors.

The nearly 500,000-square-foot facility in Humboldt North was built on 76 acres and will employ 210 people within three years.

AutoZone What was known throughout the area only as "Project Pioneer"  was announced

as AutoZone in March, and the company began operations at its distribution center in Humboldt North in the summer of 2008. The local distribution center will handle receiving and shipping automotive products to AutoZone's stores throughout the Northeast.

The chain considered many locations in Pennsylvania and neighboring states before choosing Greater Hazleton.

"Logistically, Hazleton is a good choice because it's close to two interstates. The area has a large available workforce as well," said John Warden, executive vice president for The Walker Companies, which handled site selection duties for the automotive parts distributor.

More than 250 employees currently work at AutoZone in Humboldt North, and more than 400 are expected to work at the facility by the time it is fully operational.

Amazon.com When its newly opened fulfillment center in Humboldt Industrial Park is fully operational in a few years,

Amazon.com plans to employ 1,100 full-time employees, as well as an additional 800 associates during the holiday season.

Customers throughout the northeastern 

United States will receive shipments from the fulfillment center in Hazle Township, which processes all the company's product lines, including books and electronics.

Amazon's new building is also among the largest in Humboldt at more than 600,000 square feet, which includes an expansion added while the company prepared to open.

U.S. Cold Storage U.S. Cold Storage began sending and receiving shipments from its new energy-efficient refrigerated warehouse in July. The local facility, constructed on a 32-acre tract in Humboldt North, will serve markets throughout the Northeast region. It contains 4.7 million cubic feet of refrigerated warehouse space, along with a temperature-managed truck dock. 

The distribution center was built with room for two expansions and will offer special logistical services, including shuttle service for local food production plants.

U.S. Cold Storage is also the first company in Humboldt North to begin receiving rail shipments. Other Humboldt North companies are expected to begin using rail service soon.



Governor's visit In August, Gov. Ed Rendell stopped at George Weston Bakeries in Humboldt Industrial Park as part of a statewide tour.

Rendell presented \$9.2 million in funding to assist the company with converting its former Boboli production plant into an Entenmann's cake facility, a project that is expected to create 200 jobs.

Entenmann's Vice President for Cake Operations Jim Kerschner cited the region's workforce as a deciding factor in the company's decision to re-open the plant as an Entenmann's cake plant.

Humboldt Station CAN DO's first commercial real estate development, Humboldt Station, welcomed its first two businesses in the summer of 2008.

A 92-room Residence Inn by Marriott opened in July and Turkey Hill's gas station and convenience store began serving customers at the beginning of September.

"CAN DO wanted to use the land at Humboldt Station for retail and commercial



CAN DO President Kevin O'Donnell, right, speaks during a visit by Pa. Gov. Ed Rendell.

businesses that would benefit the the residents of Greater Hazleton, employees throughout Humboldt Industrial Park and travelers along Interstate 81," said CAN DO President Kevin O'Donnell.

Several family and fast-food restaurants are also expected to be constructed at Humboldt Station.

Humboldt Northwest Looking forward, CAN DO plans to continue mineland reclamation and development in Humboldt Industrial Park. State and county loans and federal grants will be used to develop 372 acres of former mineland and extend water, sewer and gas utilities from the south side of state Route 924 to the north side of the highway.

The Northeastern Pennsylvania Alliance's data models project the creation

of \$281 million in total economic activity for Greater Hazleton upon a full build-out of Humboldt Northwest.

Route 924 The Pennsylvania Department of Transportation anticipates receiving bids soon for the second phase of the Route 924 expansion project through Humboldt Industrial Park.

The first phase, which was completed at the end of 2007, included work on Route 924 from near its intersection with Interstate 81 to the entrance of the Hazle Township Fire Company property. The highway was expanded from two lanes to up to five lanes in some areas, with additional access lanes added to and from the interstate.

The second phase includes widening Route 924 from the end of the Phase I work to Scotch Pine Drive, almost the entire length of Humboldt Industrial Parkw. That phase is expected to begin this year, cost \$9.2 million and be completed sometime in 2011, according to PennDOT.

"In the second phase of the project, the existing road will be widened to five lanes and will include curbing for access management, signals, pavement markings and signing," said George Roberts, PennDOT district executive.

"Having better traffic flow and more driving lanes is a major benefit for the thousands of employees who work in Humboldt Industrial Park and drive Route 924. Additionally, the road widening will help trucks carrying shipments to and from companies in the park and will also be advantageous for motorists who travel that highway," O'Donnell said.



Humboldt Station's new Residence Inn by Marriot opened in July.

Students help CAN DO reach out



Most times when people hear the name CAN DO, they immediately think of economic development, industrial parks or new companies locating to the area.

In contrast, however, around the holidays in downtown Hazleton and around the globe, the name CAN DO conjures up a different vision.

That's because a group of area high school students who serve on the CAN DO Student Action Committee each year spread holiday cheer during the annual community holiday program here and spearhead a project to send care packages to local troops serving in the Middle East.



CAN DO Annual Christmas

For years CAN DO has brought Santa Claus to downtown Hazleton through its annual community holiday program known as

the CAN DO Community Christmas. Elementary and high school musical groups perform holiday songs and Santa Claus makes a visit to greet both young and old.

Operation: CAN DO

For several years now, soldiers from our area serving abroad have received bulk packages filled with plenty of food, personal care and entertainment items through a program known as "Operation: CAN DO."

Members of the student action committee seek assistance from area schools and businesses to collect items for the troops and then work with the American Legion of Freeland to ship the care packages overseas.

"We are very, very proud of the student action committee's efforts to spread holiday cheer both here at home and with area troops who find themselves away from their families for the holidays," said Kevin



Above: Students gather packages for the troops at Freeland. Left: Santa welcomes guests to the CAN DO Community Christmas.

O'Donnell, CAN DO's president.

The Student Action Committee is headed by CAN DO board member Charles Burkhardt and CAN DO's assistant to the president, Nancy Stasko. Student members include Sarah Farkus, John Yang, Donna Chen and Alba Espinosa, Hazleton Area High School; Kathryn Knowlden and Robert Weldon, Immanuel Christian School; Katie Laputka and David Lopez, MMI Preparatory School; and Nicole Caccese and Kimberly Gatski, Weatherly Area High School.

Cranberry Creek reclamation complete

CAN DO remains committed to improving Greater Hazleton not only through the creation of additional employment opportunities, but also through the beautification of our area.

In 2008, working with the state Bureau of Abandoned Mine Reclamation, CAN DO continued its dedication to reclaiming mine-scarred land at the entrance to Greater Hazleton.

In July, together with the Greater Hazleton Chamber of Commerce, community partners celebrated the completion of one of the biggest reclamation efforts, Cranberry Creek. This project converted 135 acres of former mine-scarred land along a gateway to Greater Hazleton into usable land for a variety of potential projects.

The Cranberry Creek Board of Directors, formed as a partnership of CAN DO and the Chamber, oversees progress of the Cranberry Creek Gateway Project. CAN DO Vice Chairman Robert Judd serves as chairman of the Cranberry Creek board.

The project has potential to be beneficial to the community in many ways, as development for the Cranberry Creek Gateway Project may include restaurants,

shops, recreational facilities and homes.

"The completion of this reclamation is a big step for the Cranberry Creek Gateway Project," said Judd. "The pitted, scarred earth at Cranberry Creek has been turned into land that we hope will bring local residents options for entertainment, shopping, dining and housing. If that happens, Greater Hazleton will benefit from the public funding, private investment, new jobs and additional tax base."

Grade work on the land has already been completed, with grass and tree seed being planted as well.

The area was once part of the Cranberry Colliery, in operation from the 1840s through the 1950s.

The completion of the reclamation at Cranberry Creek came on the heels of two other reclamation projects in which CAN DO was involved, a 22-acre tract of land near the village of Harwood and an 8-acre parcel near Hollars Hill.



Celebrating the reclamation of Cranberry Creek are, from left: Tom Williams, Rep. Paul Kanjorski's office; Anthony "Midge" Matz, Hazle Township supervisor; Robert Judd, chairman of the Cranberry Creek Board of Directors; Joseph Yannuzzi, immediate past chairman of the Cranberry Creek board; Donna Palermo, Greater Hazleton Chamber of Commerce president and director of the Cranberry Creek board; Michael Korb, manager of the Wilkes-Barre field office of BAMR; Kevin O'Donnell, CAN DO president; attorney George Hludzik, director of the Cranberry Creek board and Chamber chairman of the board; and Gary Danish, vice chairman of the Cranberry Creek board.

"These reclamation projects are so important to the future of the Hazleton area. We're especially grateful for the assistance and cooperation we've received from our local municipalities, as well as state and federal agencies. We would not be able to complete these projects without their support," said CAN DO Chairman E. Thomas Sandrock.

AeroSolutions is first incubator graduate

In 2005, CAN DO began its business incubator program CAN BE (Community Association for New Business Entrepreneurship), which operates the Greater Hazleton Business Innovation Center in Valmont Industrial Park. The innovation center offers office and light manufacturing space to local start-up companies.

A mere three years later, CAN BE celebrated one of its most notable successes with the



graduation of its first client in 2008. AeroSolutions opened an office in the incubator in 2005 and, after spending three years growing at the innovation center, moved to new, larger offices in downtown Hazleton.

Founded in Colorado in 2002, AeroSolutions engineers, upgrades and maintains telecommunications towers nationwide.

Brian Reese, vice president of operations for AeroSolutions, said, "The business grew five times while we were in the incubator. When we moved here in 2005, we started with me and a temporary worker who

later became full-time. We now have 10 employees. Our company's sales revenue has also exploded. In 2005, we had \$4 million in sales. At the end of 2007, our sales were close to \$20 million."

Reese credits CAN BE's program with much of his company's success.

"CAN BE's aggressive lease rate and supporting services here have allowed me to remain focused on other aspects of growing the business," he said. "We've had a great deal of positive business activity while in the incubator. In fact, during our time here, we doubled the office space we occupied due to the growth we were already experiencing."

While AeroSolutions moved on in 2008, three new companies opened their doors in the incubator last year: Progressive Laundry, LLC, which retrofits commercial washing machines with patented technology using ozone to improve the operating efficiency; JumpFrog Marketing, an online strategy agency specializing in search engine optimization, media, graphics and Web development; and Digital Video Productions, a video production company that produces a range of videos including commercials, documentaries, music videos



Present at the graduation event were, from left: attorney George Hludzik, chairman of the board, Greater Hazleton Chamber of Commerce; Ken Okrepkie, Ben Franklin Technology Partners; Jack St. Pierre, executive director, CAN BE; Brian Reese, vice president of operations, AeroSolutions; Kevin O'Donnell, president, CAN DO; and Dr. Gary Lawler, chancellor, Penn State Hazleton.

and event videos. Another new client will open in the incubator this month.

"Each client brings something different to this incubator, with clients representing a variety of different sectors. These three new companies that opened here recently are taking advantage of many modern technologies, and I'm certain that will lead to much success for them in today's technology-focused world," said Jack St. Pierre, CAN BE's executive director.

CAN BE seminar series supports entrepreneurs

CAN BE is also in the midst of hosting a five-part seminar series intended to support and encourage potential entrepreneurs. The "Start Your Own Business" seminar series has been very well received each time it has been offered, with more than 100 people attending the previous round of seminars.

"We created this seminar series as an additional tool to give potential entrepreneurs all the information they need. The seminars take entrepreneurs through all the vital steps needed to start a business, including marketing and financial information," St. Pierre said.

Seminar topics include "Winning Business Plans," "Marketing Your Business," "Understanding Financials," "What Makes a Business Succeed?" and "Ready, Set, Succeed!," all presented by local business professionals who are experts in their fields.



CAN BE Executive Director Jack St. Pierre speaks during a seminar event.

As Greater Hazleton's economic development organization, CAN DO realizes companies that locate in CAN BE's incubator have great potential to improve the region's economy through spending and job creation.

CAN DO takes an active role in nurturing the creation of home-grown jobs and

encourages the growth of new business and industry in Greater Hazleton.

"CAN BE assists entrepreneurs as they turn their ideas into new business ventures, creating jobs and helping strengthen the local economy," said CAN DO President Kevin O'Donnell. "The incubator has far exceeded our expectations by the number of clients it has had and by the achievements of those tenants."

St. Pierre is a successful entrepreneur himself and provides expert business guidance to incubator clients, who also benefit from reasonable rent costs, peer networking and shared business services, including a receptionist and conference room.

CAN BE is supported by Ben Franklin Technology Partners, and Penn State Hazleton is an educational partner.

CAN DO president marks 35th anniversary



CAN DO's past presidents and chairmen present a gift to President Kevin O'Donnell, front row center, for his 35 years of service to CAN DO, Inc.

2008 was an especially meaningful year for CAN DO President Kevin O'Donnell, who celebrated his 35th anniversary with the organization in September. He was honored at a special event held at the Valley Country Club and attended by his family and CAN DO employees, past presidents and chairmen.

O'Donnell received congratulatory proclamations from Gov. Ed Rendell and State Rep. Todd Eachus, and was also presented with gifts from CAN DO's staff and past presidents/chairmen.

"I'm grateful to have had these 35 years

with CAN DO. This organization truly has the greatest economic development staff in Pennsylvania and I'm proud to be a part of it," said O'Donnell, who started working at CAN DO in 1973 as assistant director.

E. Thomas Sandrock, chairman of CAN DO's nearly 100-member board of directors, said, "We appreciate Kevin's dedication to Greater Hazleton and to CAN DO. In the time he has been with us, this organization has seen a great deal of progress, including the creation of thousands of jobs throughout the region. We look forward to many more years of Kevin's guidance."

CAN DO thanks its volunteer board of directors and representatives

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* Indicates non-voting members.